

Form 7016-1 — Attachment B

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION AT DAYTON

CASE NO. 19-30822

CHAPTER 7

CONTESTED MATTER ☐

ADV. PRO. NO. _____

JOINT EXHIBITS TO BE OFFERED BY S-TEK INC. and KAYSER VENTURES LTD.

DESIGNATION	DESCRIPTION	IDENTIFIED	ADMITTED
1	Purchase Order 201601009 (1 page)		
2	Invoice Number CIA July 1, 2016 (2 pages)		
3	Incvoice Number 081216DL (1 page)		
4	Purchase Order 201701005 (1 page)		
5	Invoice Number 042817LO (1 page)		
6	Invoice Number 073117LO (1 page)		
7	Debt summary owed to Kayser Ventures Ltd. and transaction details (3 pages)		
8	Email from Lou Fernandez April 3, 2015 and attachment (2 pages)		
9	Email from Daniel White Feb. 19, 2019 (1 page)		
10	Emails from Ken Kayser March 22, 2019 (1 page)		
11	Email from Daniel White Apr 10, 2019 (1page)		
12	Email from Daniel White Feb 21, 2019 (1 page)		

USE ADDITIONAL SHEET(S) FOR ADDITIONAL EXHIBITS

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION AT DAYTON

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ADV. PRO. NO. _____

JOINT EXHIBITS TO BE OFFERED BY S-TEK INC. and KAYSER VENTURES LTD.

DESIGNATION	DESCRIPTION	IDENTIFIED	ADMITTED
13	Letter from Daniel White (3 pages)		
14	Email from John White with weekly cash forecast (3 pages)		
15	Tagnetics Inc. Available Cash & Working Capital Summary 11/2/2015 (1 page)		
16	Tagnetics Inc. Accounts Payable and Other Liabilities (2 pages)		

USE ADDITIONAL SHEET(S) FOR ADDITIONAL EXHIBITS



635 Olympic Drive, Troy, OH 45373
937-320-9225 Fax 937-320-9726

Purchase Order

201601009

Page 1 of 1

To:

S-Tek, Inc.
1100 Wayne St.
Suite 5000
Troy, OH 45373

Ship To:

Tagnetics, Inc
635 Olympic Dr
Troy, OH 45373

Phone 937-339-9777 / Fax 937-339-9997

Attn: Bob Smith

Account:

Buyer:

Tech. Contact:

DATE REQUIRED	F.O.B.	SHIPPING METHOD	TERMS	DATE
ASAP	Troy	Best Way	See Notes	6/3/2016

INSURE ☐

USE CUST SHIPPING ACCT. ☐

P.O. No. **201601009**

Item	P/N Description	Rev	Cost	Order Qty	Units	Taxable	Extension
			Schedule				
1	00-871547-1 Assy, Tag, Flasher, Small FS	A	\$2.090	22500	each	<input type="checkbox"/>	\$47,025.00
2	00-871547-4 Assy, Out Of Stock Tag No Program Not Sealed	0	\$2.090	2500	each	<input type="checkbox"/>	\$5,225.00

SubTotal	\$52,250.00
Sales Tax	\$0.00
Total	\$52,250.00

NOTE

00-871547-4 is same as 00-871547-1 with no program and case not sealed.

Terms

50% with order

50% prior to shipment

EXHIBIT

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S-Tek Inc

PO Box # 87
Tipp City, OH 45371-0087
USA



INVOICE

Invoice Number: CIA July 1, 2016
Invoice Date: Jul 1, 2016
Page: 1
Duplicate

Voice: 440-439-8232
Fax: 440-439-8251

Bill To:

Tagnetics, Inc.
Po box 1029
Mundelein, IL 60060-1029
USA

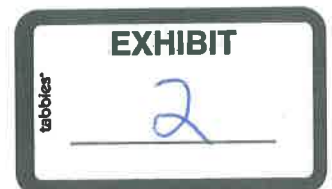
Ship to:

Tagnetics, Inc.
635 Olympic Drive
Troy, OH 45373
USA

Customer ID	Customer PO	Payment Terms	
Tagnetics	201601009	Prepaid	
Sales Rep ID	Shipping Method	Ship Date	Due Date
	Hand deliver		7/1/16

Quantity	Item	Description	Unit Price	Amount
11,250.00	00-871547-1 New	Pre-Pay 50% with Order, 50% prior to shipment LDM355B-RN-TTS New Assembly, Tag Flasher, Small FS, LCD Module programmed with New Glass per drawing# 00871194 Due ASAP	2.09	23,512.50
	00-871547-1 New	LDM355B-RN-TTS New Assembly, Tag Flasher, Small FS, LCD Module programmed with New Glass per drawing# 00871194	2.09	
1,250.00	00-871547-4	LDM355-RN-TTS Assembly Tag Flasher Small FSwith orange / red LED Everlight. (631 nm peak wave length, 624 nm dominant wave length) Unprogramed unassembled	2.09	2,612.50
	00-871547-4	LDM355-RN-TTS Assembly Tag Flasher Small FSwith orange / red LED Everlight. (631 nm peak wave length, 624 nm dominant wave length) Unprogramed	2.09	
Subtotal				Continued
Freight				
Total Invoice Amount				Continued
Payment/Credit Applied				
TOTAL				Continued

Check/Credit Memo No:



S-Tek Inc

PO Box # 87
Tipp City, OH 45371-0087
USA

Voice: 440-439-8232
Fax: 440-439-8251



INVOICE

Invoice Number: CIA July 1, 2016
Invoice Date: Jul 1, 2016
Page: 2
Duplicate


Bill To:

Tagnetics, Inc.
Po box 1029
Mundelein, IL 60060-1029
USA

Ship to:

Tagnetics, Inc.
635 Olympic Drive
Troy, OH 45373
USA

Customer ID	Customer PO	Payment Terms	
Tagnetics	201601009	Prepaid	
Sales Rep ID	Shipping Method	Ship Date	Due Date
	Hand deliver		7/1/16

Quantity	Item	Description	Unit Price	Amount
		unassembled		
				
Subtotal				26,125.00
Freight				
Total Invoice Amount				26,125.00
Payment/Credit Applied				
TOTAL				26,125.00

Check/Credit Memo No:

S-Tek Inc

PO Box # 87
Tipp City, OH 45371-0087
USA

Voice: 440-439-8232
Fax: 440-439-8251



INVOICE

Invoice Number: 081216DL
Invoice Date: Aug 12, 2016
Page: 1
Duplicate

Bill To:
Tagnetics, Inc. Po box 1029 Mundelein, IL 60060-1029 USA

Ship to:
Tagnetics, Inc. 635 Olympic Drive Troy, OH 45373 USA

Customer ID	Customer PO	Payment Terms	
Tagnetics	201601009	Prepaid	
Sales Rep ID	Shipping Method	Ship Date	Due Date
	Hand deliver		8/12/16

Quantity	Item	Description	Unit Price	Amount
11,250.00	00-871547-1 New	Pre-Pay 50% with Order, 50% prior to shipment LDM355B-RN-TTS New Assembly, Tag Flasher, Small FS, LCD Module programmed with New Glass per drawing# 00871194	2.09	23,512.50
1,250.00	00-871547-4	LDM355-RN-TTS Assembly Tag Flasher Small FS with orange / red LED Everlight. (631 nm peak wave length, 624 nm dominant wave length) Unprogramed unassembled	2.09	2,612.50
Subtotal				26,125.00
Freight				
Total Invoice Amount				26,125.00
Payment/Credit Applied				
TOTAL				26,125.00

Check/Credit Memo No:

PAID





635 Olympic Drive, Troy, OH 45373
937-320-9225 Fax 937-320-9726

Purchase Order

201701005

Page 1 of 1

To:

S-Tek, Inc.
1100 Wayne St.
Suite 5000
Troy, OH 45373

Ship To:

Tagnetics, Inc
635 Olympic Dr
Troy, OH 45373

Phone 937-339-9777 / Fax 937-339-9997

Attn: Bob Smith

Account:

Buyer:

Tech. Contact:

DATE REQUIRED	F.O.B.	SHIPPING METHOD	TERMS	DATE
ASAP	Troy	Best Way	See Notes	4/27/2017

INSURE ☐

USE CUST SHIPPING ACCT. ☐

P.O. No. **201701005**

Item	P/N Description	Rev	Cost	Order Qty	Units	Taxable	Extension
1	00-871547-1 Assy, Tag, Flasher, Small FS	A	\$2.090	25000	each	<input type="checkbox"/>	\$52,250.00

SubTotal **\$52,250.00**

Sales Tax **\$0.00**

Total **\$52,250.00**

NOTE

Terms

50% with order

50% prior to shipment

EXHIBIT

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S-Tek Inc

REMIT TO:

S-TEK Inc.
Accounts Payable
26046 Broadway Ave.
Cleveland, Ohio

44146
Voice: 440-439-8232
Fax: 440-439-8251



INVOICE

Invoice Number: 042817LO
Invoice Date: Apr 28, 2017
Page: 1
Duplicate

Bill To:

Tagnetics, Inc.
Po box 1029
Mundelein, IL 60060-1029
USA

Ship to:

Tagnetics, Inc.
635 Olympic Drive
Troy, OH 45373
USA

Customer ID	Customer PO	Payment Terms	
Tagnetics	201701005	Prepaid	
Sales Rep ID	Shipping Method	Ship Date	Due Date
	Hand Deliver		4/28/17

Quantity	Item	Description	Unit Price	Amount
12,500.00	00-871547-1 New	LDM355B-RN-TTS New Assembly, Tag Flasher, Small FS, LCD Module programmed with New Glass per drawing# 00871194 Due ASAP	2.09	26,125.00
	00-871547-1 New	LDM355B-RN-TTS New Assembly, Tag Flasher, Small FS, LCD Module programmed with New Glass per drawing# 00871194 TBR	2.09	



PAID

Subtotal	26,125.00
Frieght	
Total Invoice Amount	26,125.00
Payment/Credit Applied	
TOTAL	26,125.00

Check/Credit Memo No:



S-Tek Inc

REMIT TO:

S-TEK Inc.
Accounts Payable
26046 Broadway Ave.
Cleveland, Ohio

44146
Voice: 440-439-8232
Fax: 440-439-8251



INVOICE

Invoice Number: 073117LO
Invoice Date: Jul 31, 2017
Page: 1
Duplicate

Bill To:

Tagnetics, Inc.
Po box 1029
Mundelein, IL 60060-1029
USA

Ship to:

Tagnetics, Inc.
635 Olympic Drive
Troy, OH 45373
USA

Customer ID	Customer PO	Payment Terms	
Tagnetics	201701005	Prepaid	
Sales Rep ID	Shipping Method	Ship Date	Due Date
	Hand Deliver	7/31/17	7/31/17

Quantity	Item	Description	Unit Price	Amount
12,500.00	00-871547-1 New	LDM355B-RN-TTS New Assembly, Tag Flasher, Small FS, LCD Module programmed with New Glass per drawing# 00871194 TBR	2.09	26,125.00
Subtotal				26,125.00
Frieght				
Total Invoice Amount				26,125.00
Payment/Credit Applied				
TOTAL				26,125.00

Check/Credit Memo No:



Kayser Ventures
Amount Due From Tagnetics
6/1/17

2015 Monthly amount from Tagnetics to KVL

Payment to Bank of North Carolina	2,500.00
Other Expenses	1,857.89
Total Due Per Month	4,357.89
September	4,357.89
Less September Recd	<u>2,500.00</u>
Past Due from September	1,857.89
October Past Due	4,357.89
November Past Due	4,357.89
December (Thru 12/10)	<u>1,405.77</u>
Total Amount Due For 2015	\$ 11,979.44

2016 Monthly Amount Due From Tagnetics


Equipment Rent Per Month	2,500.00
Monthly Charges 2016	12.00
Total Amount Due For 2016	\$30,000.00
Total Amount Due For 2015 & 2016	\$41,979.44

Tagnetics agreed to pay the office expenses and loan payment to Valley Bank effective Jan 1, 2014. These payments were made weekly thru Mar of 2015. At that point Tagnetics began paying only 2,500 per month. They made these payments March thru September of 2015, and then discontinued all payments.

Tagnetics was paying KVL to reimburse KVL for expenses of Tagnetics. There was \$ 2,500 for equipment rent and \$ 1,800 for office rent for Tagnetics office space and the related expenses of running the Roanoke Tagnetics office.

KVL was due \$ 2,500 per month for the months March through August 2015. Then \$ 1,857.89 was included monthly as KVL made other payments to support the equipment being rented. The rent for equipment then dropped back to the \$ 2,500 per month effective Jan 1, 2016 thru the end of 2016. This occurred because Tagnetics was paying their rent and other expenses directly.

I have been doing bookkeeping for KVL since 2006. The above analysis was initially done June 1, 2017 and is based on my understanding of the relationship between KVL and Tagnetics.


Brian Hoeppner
Blue Ridge Bookkeeping
May 29 2019

EXHIBIT

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Kaiser Ventures, Ltd.
Transaction Detail By Account
January 13, 2014 through December 31, 2018

TOTAL

Monthly Determination
January 1, 2014

1/1/14

Weekly Income	1,166
Annual Income	60,576
Monthly Income	5,048

Monthly Expenses

Rent	1,800
Utility Coverage	167
Valley Bank	2,500
US Cellular	218
Bookkeeping	225
Exceed	63
Bank Fees	75
Insurance	
Monthly Total	5,048

Ken Kayser

From: Lou Fernandez <lfernandez@tagnetics.com>
Sent: Friday, April 03, 2015 12:52 AM
To: Ken Kayser
Cc: Ronald Earley
Subject: Payments to KVL
Attachments: 0233_0003.pdf; TAGNETICS - 2015TRAVEXPFORM - BLANK.xls

Hi Ken,

I received your voicemail regarding establishing a new monthly payment amount to KVL. Attached is the calculation you sent me in January of 2014 that we used to establish the \$1,165 weekly wire transfer we were previously paying.

The calculation included;

Rent
Utility Adjustment
Valley Bank Loan Payment on Equipment
US Cellular
Bookkeeping
Exceed ??
Bank Fees

Since Tagnetics has taken over the lease and utilities I propose we keep only the Valley Bank Loan Payment on the Equipment and your cell phone bill.

According to the calculation provided and our discussion this week, the loan payment is \$2,500 per month. Until and unless I get down there and an alternative assessment is made, I propose we continue to pay KVL \$2,500/month for the equipment. I will wire the April payment this Monday and every month thereafter on the 1st of the month. By sending only one wire we eliminate most of the wire fees on both sides and each Company can absorb one monthly wire fee.

With respect to your cell phone, I propose we cover 50% of the standard monthly cell phone bill as we do for other officers/employees who request reimbursement. Please submit your cell phone bill reimbursement requests on our standard expense report form each month or at a minimum, once each quarter. I've also attached our standard expense reimbursement form for your convenience.

Please confirm these proposals are satisfactory and we can proceed as outlined above.

Thank you,

- Lou

Luis A. Fernandez
SVP & Chief Financial Officer

Tagnetics, Inc.
635 Olympic Drive
Troy, Ohio 45373
www.poweruphell.net



4/31/2015 Attachment from Lani

		Adjusted
Weekly Income	1,000	1,165
	52	
Annual Income	52,000	50,380
	12	
Monthly Income	4,333	5,048
Adjustment Needed	165	
New Weekly Amount	1,165	
Monthly Expenses		
Rent	1,800	
Utility Adjustment	167	
Valley Bank	2,500	
US Cellular	218	
Bookkeeping	225	
Exceed	63	
Bank Fees	65	
	5,038	10
Does not include		
Credit Cards	600	
Legal		
Total	600	
Additional Adjustment Needed	138	
Weekly Amount including above	1,303	



Ken Kayser <drkwkayser@gmail.com>

resignation and final report

Daniel White <dwhite@compassmarketinginc.com>
To: Ken Kayser <drkwkayser@gmail.com>
Cc: Daniel White <danieljwhite@msn.com>

Tue, Feb 19, 2019 at 3:03 PM

Dr. Kayser,

Thank you for the E mail. I am sorry I did not get it sooner but this email is harder for me to use now. Please use danieljwhite@msn.com.

My daughter goes to James Madison University and I will be out there in the next week or 10 days and I'm glad to meet you there. I'm also happy to meet you half way sooner. And of course glad to talk on the phone as well.

Daniel White
2402988156

On Mon, Jan 28, 2019, 11:31 AM Ken Kayser <drkwkayser@gmail.com> wrote:

Dan
I would be interested in getting together.
Perhaps we we could meet half way.
I am in Roanoke Va.
What are your thoughts.
Ken

On Sat, Jan 26, 2019 at 11:33 PM Daniel White <dwhite@compassmarketinginc.com> wrote:

Ken,

I hope this email finds you doing as well as you can.

I left Tagnetics in 2016 because of differences with the management of that company, and - after 20 years - I am in the process of separating from Compass for the same reasons. I am not sure if you received any positive response to your email as I have been (probably appropriately) cut me off from any communications at Tagnetics. Less appropriately, the same is true at Compass. If you have a few minutes to talk or meet, I would like to make sure there are no outstanding issues between you and me so that I can make sure any loose ends are tied up. Email is fine too if you are more comfortable with that.

One of the silver linings of my experience with Tagnetics was that I got to meet you. I hope our paths cross again soon.

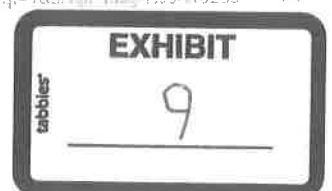
With Best Regards,

Daniel White
mobile/text: 240-298-8156

Daniel White
Compass Marketing, Inc.

mobile/text: 240-298-8156
facsimile: 240-214-0414

On Mon, Dec 17, 2018 at 1:18 AM Ken Kayser <drkwkayser@gmail.com> wrote:
Please see attached





Ken Kayser <drkwkayser@gmail.com>

New Email

Ken Kayser <drkwkayser@gmail.com>
To: Daniel White <danieljwhite@msn.com>

Fri, Mar 22, 2019 at 5:18 PM

Hi Dan
Let me know when.
I would like to get together
Ken

On Fri, Mar 22, 2019 at 1:25 PM Daniel White <danieljwhite@msn.com> wrote:
Good afternoon, Dr. Kayser.

I noticed your bankruptcy filing online - and did share it with my brother Mike. FWIW, it is certainly understandable from my perspective, and a necessary action.

I have not been able to catch up with Emily due to her travels with her JMO team, but hope to very soon. I look forward to crossing paths if that is something you would still like to do. Either way, I wanted you to know that I am really hope everything works out for you, and others who have put so much into Tagnetics over such a long time.

Best Regards,

Daniel White
240-298-8156

From: Ken Kayser <drkwkayser@gmail.com>
Sent: Friday, February 22, 2019 1:07 AM
To: Daniel White
Subject: Re: New Email

Sorry. I meant your daughter.
Ken

On Fri, Feb 22, 2019 at 1:05 AM Ken Kayser <drkwkayser@gmail.com> wrote:
Hi Dan
Perhaps we can lunch when you are visiting your son.
Let me know your schedule.
Hope all is well with you.
Ken

On Thu, Feb 21, 2019 at 11:40 AM Daniel White <danieljwhite@msn.com> wrote
Dr. Kayser,

Just checking to make sure you are receiving my emails. I don't use my Company email anymore and was not sure if my responses to you made it out.

Best,

Daniel White
240-298-8156

Daniel J. White
Email: danieljwhite@msn.com

EXHIBIT

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5/10/2010



Ken Kayser <drkwkayser@gmail.com>

(no subject)

Daniel White <danieljwhite@msn.com>
To: Ken Kayser <drkwkayser@gmail.com>

Wed, Apr 10, 2019 at 5:31 PM

Dr. Kayser,

I would certainly like to meet as well. Are there any windows in the near future that are good for you?

Daniel White
2404342202

Daniel White

From: Ken Kayser <drkwkayser@gmail.com>
Sent: Wednesday, April 10, 2019 3:50:45 PM
To: Daniel White
Subject:

Dan
Can you make time to meet with me?
I am willing to drive up to meet.
In light of recent and possibly pending actions, i believe it would
be useful to both of us to meet.
Please let me know yes or no so I know you received this message.
Ken
Dr K W Kayser



6/30/2019



Ken Kayser <drkwkayser@gmail.com>

New Email

Daniel White <danieljwhite@msn.com>
To: Ken Kayser <drkwkayser@gmail.com>

Thu, Feb 21, 2019 at 11:40 AM

Dr. Kayser,

Just checking to make sure you are receiving my emails. I don't use my Compass email anymore and was not sure if my responses to you made it out.

Best,

Daniel White
248-298-8156

Daniel J. White
Email: danieljwhite@msn.com



Join us for the JDRF Ride to Cure Diabetes to raise money for the Juvenile Diabetes Research Foundation International (JDRF) and help us to put one of America's deadliest diseases under our wheels for good.

You can find details about the Ride at <http://ride.jdrf.org> and our team's fundraising page at https://www2.jdrf.org/site/SPageServer?pagename=ride_participant_center&pc2_page=center&fr_id=7372&participantTrID=7372

The information contained in this electronic mail transmission (including any accompanying attachments) is intended solely for its authorized recipient(s), and may be confidential and/or legally privileged.



Mr. Wesner,

Thank you for the email. I am happy to help however I can. I am sending a preliminary response today as I am in trial, but will follow up further when I clear. I am also glad to talk by phone.

I must tell you up front that I believe that my brother John has turned Tagnetics from a small business that was sort of puttering along with a chance of survival and a really dedicated group of owners, partners, employees, suppliers, and customers into something I can only characterize as a stock scam. I communicate that to you in case your client is uncomfortable with me helping due to my unfortunate connection with John.

I did not see the transformation happening until it was too late, and could not stop him from continuing down such a dangerous path. At this point, he has "bought" or granted himself and then sold millions of dollars of Tagnetics stock and options - some through the company books and some most certainly not. I seriously doubt TI can even produce a ledger of shareholders (or creditors). They are currently negotiating with SES-Imagotag for another round of capital raise. It continues to amaze me how these major companies "invest" in an entity without doing the most basic due diligence.

I am sure Dr. Keyser thinks I must have known about all of the side deals and payments that John was negotiating for himself and his friends, and perhaps I should have, but I did not - anymore than I knew about the agreements he negotiated with Dr. Keyser and Mr. Early. For what it is worth, I have never been paid a single cent by Tagnetics and own no stock but for 300 shares that I bought from Lou Fernadez for \$10,000 when he pretended to need the money for "a medical procedure". Millions of dollars from my company I founded with John (Compass Marketing) has been flushed down the Tagnetics hole to keep the dodge alive.

It appears that the first "TI" defense is that the company is paying their debts as they become due. That might be laughable, if it wasn't real people's lives. A simple review of the Delaware Department of State Division of Corporations website clearly shows that TI has not filed an annual report since 2014 and is currently nearly \$500,000 in arrears. TI is currently in VOID/ Tax Delinquent status in DE. In Maryland, the company would not even be able to appear in court in that status and many liabilities would pass through to the directors.

Your client was on the board longer than I was, and until last December. He would know that TI has also not filed income tax returns or sales tax returns or workers compensation or health insurance



certifications or many other required regulatory forms in a very long time. It has certainly been over 5 years since they even pretended to have a shareholder meeting, or a financial statement, even though they have created and sold, given and disbursed millions of shares since then.

I also attach an email that your client would have from March 25, 2017 from John to the board attaching his "rolling weekly cash forecast" for 2017. You will note that it includes millions of dollars in past due debt and a few hundred thousand dollars in (exaggerated) revenue for the entire year. On that ledger you will find amounts representing payments due KVI and S-Tek. There are also hundreds of thousands of dollars in royalties due to the owners of the technology that TI licenses.

Of particular interest in the email attachment is the \$988,997.44 in "unpaid salaries". With the employer portions of taxes, this amount would be well over 1 million dollars. At various junctures TI also referred to these amounts as "delinquent payroll and taxes". Obviously, I advised the board - and their counsel - that there really is no such thing as "delinquent payroll and taxes" and that the situation had to be addressed. A large portion of the salaries are in "equity payments". One of the employees continues to be paid "under the table". Besides probably being illegal, these "delinquent payroll and taxes" and taxes on "equity payments" could under some circumstances become the personal liability of the directors.

One of the addressees on the email is Larry McWilliams. Besides being the fake co-CEO of Tagnetics with John, Larry is the actual Chairman and CEO of Armstrong Flooring, Inc. (NYSE:AFI). Larry knows better, as does another addressee - Mitch Goldsmith, counsel for TI. I assume Mitch is conflicted out of this bankruptcy work because he is a shareholder, and his firm is a large creditor, and his firm has been paid hundreds of thousands of dollars from investor funds. The response of John, Larry and Mitch was to exclude me from further critical communication until I resigned from the board. I really am surprised the Ohio Attorney General has not taken an interest in a million dollars in "delinquent payroll and taxes".

TI has managed to keep the shell game going by pretending like Compass Marketing owns Tagnetics (false) and paying many bills through that company. After their utilities were shut off and they were evicted in 2017 from their offices in Troy, TI pretended to move to the Compass offices in Annapolis, although they have never even filed a registration statement with Maryland, much less a tax return. Even the lawyers who appear on behalf of TI in this action have been

retained and are billing and being paid by Compass Marketing. Again, in Maryland we would have to advise the court of that arrangement.

I apologize for the fragmented response, and look forward to talking to you at your convenience if it would be helpful.

With Best Regards,

Daniel White

240-298-8156

From: "John White" <jwhite@compassmarketinginc.com>
Date: Mar 25, 2017 6:48 PM
Subject: Fwd: Preliminary Rolling Weekly Cash Forecast through 12/31 and Summary
To: "Vincent J. Browning" <VJBrowning@rrmechanical.com>, "Ed Quinn" <equinn@twperry.com>, "Ronald Earley" <rearley@tagnetics.com>, "Ken Kayser" <kkayser@tagnetics.com>, "Larry McWilliams" <lmcmwilliams@compassmarketinginc.com>, "August Klein" <jka1a@aol.com>, "August Klein" <jka1a@comcast.net>, "Daniel White" <dwhite@compassmarketinginc.com>, "robert.tobin@persimmoncap.com" <robert.tobin@persimmoncap.com>, "Donald Sackman" <dsackman@independence-equity.com>
Cc: "Goldsmith, Mitchell D." <mgoldsmith@taftlaw.com>

Guys,

Attached is a rolling weekly cash forecast through end of year as a PDF of the summary section.

This budget requires a little over \$700K in funding between now and the end of the year on top of our WFM receipts. Please review for discussion at the board call Monday.

Thanks

John



TAGNETICS, INC
ROLLING WEEKLY CASH BUDGET / FORECAST
AS OF 3/24/17

				SUMMARY THROUGH 12/31/17	
				TOTAL THROUGH 12/31/17	MONTHLY AVG
OTHER PAYMENTS					
Suppliers				-	-
OOS Sensors	Do we need \$'s here? Timing?			-	-
Rails	Do we need \$'s here? Timing?			8,000	846
Labels	Do we need \$'s here? Timing?			9,000	951
Ribbons	Do we need \$'s here? Timing?			3,000	317
Phoenix Tags	Do we need \$'s here? Timing?			48,000	5,073
TBD				-	-
TBD				-	-
Franchise Tax				-	-
3/1/16 Report				1,064	112
3/1/17 Report				5,000	528
Quarterly Royalty Payments				-	-
Quarterly Royalties on On-Line Sales				-	-
NCR				8,903	941
NIU				3,561	376
Quarterly Royalties on Maintenance Recognized Income				-	-
NCR				14,696	1,553
NIU				5,879	621
Payments on Outstanding Royalty Balances	OUTSTANDING BALANCES	Proposed Monthly Payment			
NCR	331,873.28	\$ 5,000.00		50,000	5,285
NIU	111,674.16	\$ 2,000.00		20,000	2,114
	443,547.44	\$ 7,000.00			
Payments on Other Past Due Balances	OUTSTANDING BALANCES				
Unpaid Gross Salaries					
Unpaid Cash Salaries	421,121.78				
Unpaid Equity Salaries	515,296.29				
Accrued Employer Taxes on Unpaid Salaries	52,579.89				
Sub-Total Unpaid Gross Salaries & Taxes	988,997.96	0.00			
Compass Marketing	245,545.01	\$ 5,000.00		50,000	5,285
Pervasive Displays	210,318.00				
TAFI	86,899.73	\$ 2,500.00		25,000	2,642
Sales Taxes (CA, AK, OK, LA, MN & MD)	77,935.11				
Intrigue Technologies	35,000.82	\$ 2,500.00		25,000	2,642
Nixon Peabody	22,260.00	\$ 2,250.00		22,260	2,353
American Standard Circuits	10,514.19	\$ 1,000.00		10,514	1,111
FotoFab (Sent to collection agency, threatening legal.)	3,291.25	\$ 500.00		3,291	348
MET Laboratories	2,250.00	\$ 500.00		2,250	238
Digi Key (>90 Days)	1,697.23	\$ 500.00		1,697	179
Advantech US, Inc.	680.00			680	72
Orkin	591.00			591	62
Proto Labs	137.00			137	14
Collcraft	35.60			36	4
SALEM OCCUPANCY RELATED PAST DUES:					
City of Salem Utilities	330.40			330	35
Roanoke Gas	78.76			79	8
Comcast	816.46			816	86
Ethos Technologies (Back lease prmts on Salem copier)	607.41			607	64
	1,687,985.93	14,750.00			
Sub-Total Disbursements				1,035,714	109,466
Net Surplus / (Deficit)				(700,737)	(74,062)

TAGNETICS, INC
ROLLING WEEKLY CASH BUDGET / FORECAST
AS OF 3/24/17

		SUMMARY THROUGH 12/31/17	
		TOTAL THROUGH 12/31/17	MONTHLY AVG
CASH RECEIPTS			
WFM On-Line Sales	Estimated	76,830	8,120
WFM Maintenance Contracts	Timing based on due dates	258,148	27,284
Other	Any S's from Pepsi, KH or others?	-	-
Sub-Total Cash Receipts		334,978	35,404
PAYROLL, CONTRACTORS, T&E & SHIPPING			
Payroll			
Officers / Employees - Full Time Salaried			
Andy Siefring		42,760	4,519
Jon York	Do we need S's here? He had agreed to stock in lieu	50,400	5,327
Rickey Pierce		65,420	6,914
Ron Earley		166,154	17,561
Officers / Employees - Part Time Hourly			
Bob Strain	At 50% for 20 hrs/week for inventory control and purchasing if he is willing	43,180	4,564
Contractors			
Fernandez	Estimated, hours vary	72,200	7,631
Field Travel			
	Estimated	51,250	5,417
Officer/Employee/Cp=ontractor Expense Reports			
	Outstanding Balances (ANY PMTS?)	Monthly S Amt.	
Ron Earley	801.85	\$ 300.00	3,502
Marty Monserez	3,096.49		370
John White	1,800.92		-
Jon York	Phone	150.00	1,350
Matt Meyer	Phone	150.00	1,350
Andy Siefring	Misc Giant Eagle / Fukuvi / Mileage	250.00	2,250
Lou Fernandez	Supplies / Phone / Internet / Mileage	300.00	2,700
Shipping Companies			
	Estimated \$600/wk	25,408	2,685
MONTHLY PAYMENTS			
Occupancy - Troy			
Rent		6,000.00	54,000
Property Tax			8,688
Utilities, Internet & Other			
Dayton Power & Light		1,100.00	9,900
City of Troy Water		170.00	1,690
Cincinnati Bell		285.00	2,565
Time Warner / Spectrum	Internet	497.84	4,481
Waste Management		175.00	1,923
Protection One (Security)		63.34	697
Vectren Energy (Gas)		650.00	5,850
ADP Payroll & H/R	Updating H/R records to reduce cost	1,794.00	16,146
Insurance			
D&O		3,960.00	11,880
General		3,244.50	12,978
Worker's Comp		1,203.50	3,611
Commercial Auto		261.50	785
Umbrella		1,262.50	5,060
Ohio Bureau of Workers Comp		693.00	5,175
Keyman Insurance (R. Earley)	Should we keep this?	507.00	5,070
AFLAC		1,600.00	
Sales Tax			
		7,747	819
Bluepay			
	Credit card processor. Can we cancel this?	44.95	405
AT&T			
	WiFi Access points used in field	1,435.00	14,350

Tagnetics, Inc.
Available Cash & Working Capital Summary
11/2/2015

Chase Operating Account Bank Balance

\$ 987.65

Deposits in Transit

Confirmed 11/3 WFM Receipts

Sub-Total Deposits in Transit

\$

Less Outstanding Checks / ACH's & WIRES

\$ 515.37

Current Ledger Balance

\$ 472.28

This Week's Non-Discretionary Pending Payments/Expenditures & Reserves

This week's payroll (Hourly plus weekly salaried)

7,300.97

This week's remaining travel

3,000.00

Next week's travel

4,000.00

\$ 14,300.97

This Week's Surplus / (Deficit) before Desired Vendor Pmt Subject to Approval

\$ (13,318.69)

Desired Vendor Payments Subject to Approval

Minimum Additional Payments

18,220.14

\$ 18,220.14

This Week's Chase Bank Operating Account Surplus / (Deficit)

\$ (32,138.83)

M&T BANK BALANCES (As of 10/13/15)

Checking
 Money Market

501.19
 139.95
 \$ 791.14

ACCOUNTS RECEIVABLE SUMMARY

Whole Foods Market

Maintenance Contract Renewals (Yale, Fairview, Post Oak)

On-Line Sales

37,005.00
 12,000.00

Sub-Total WFM

49,005.00

FMI / Giant Eagle Project

Diageo Guinness USA

5,000.00

Great Lakes Brewing Company

3,000.00

Heineken USA

7,500.00

In Bev - Anheuser Busch

20,000.00

Kimberly-Clark

20,000.00

North American Breweries

5,000.00

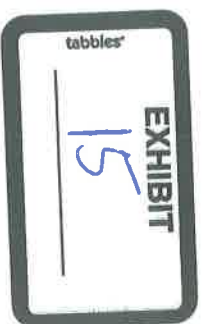
PepsiCo, Inc

30,000.00

Sub-Total FMI / Giant Eagle Project

90,500.00

\$ 139,550.00



TO BE PAID (APPROVAL REQUEST)

1242

10	450.1
10	7,014.0
31	3,652.9
75	580.7

665 55

92.5	50
215.4	49
416	13
701.8	82
327.67	69
2,500.0	00
1,021.27	20
355.6	08
174.4	33
48	74
280.0	59
146	26

1.491.1

1.15	1,074.5
2.78	252.7
4.44	3,054.2
6.67	256

113.596.4

0.5	10,260.9
0.93	5,134.5
4.97	14,401.0
1.62	7,200.8
0.81	

7.10 387.1

	Mean	SD
Age	60.79	8.12
Gender	Male = 1 Female = 2	
Marital status	Married = 1 Single = 2 Widowed = 3 Divorced = 4	
Education	High school or less = 1 College = 2 Postgraduate = 3	
Occupation	Unemployed = 1 Retired = 2 Employed = 3	
Health status	Excellent = 1 Good = 2 Fair = 3 Poor = 4	
Depression	No depression = 1 Mild depression = 2 Moderate depression = 3 Severe depression = 4	
Alcohol consumption	No alcohol consumption = 1 Light alcohol consumption = 2 Heavy alcohol consumption = 3	
Tobacco consumption	No tobacco consumption = 1 Light tobacco consumption = 2 Heavy tobacco consumption = 3	
Family size	Small family size = 1 Medium family size = 2 Large family size = 3	
Income	Low income = 1 Middle income = 2 High income = 3	
Religion	Hindu = 1 Muslim = 2 Christian = 3 Others = 4	
Living arrangement	Living alone = 1 Living with spouse = 2 Living with children = 3 Living with parents = 4	
Stress level	Low stress level = 1 Medium stress level = 2 High stress level = 3	
Social support	No social support = 1 Some social support = 2 Adequate social support = 3	
Life satisfaction	Dissatisfied = 1 Satisfied = 2	
Quality of life	Poor quality of life = 1 Good quality of life = 2	
Mental health	Poor mental health = 1 Good mental health = 2	
Physical health	Poor physical health = 1 Good physical health = 2	
Emotional health	Poor emotional health = 1 Good emotional health = 2	
Cognitive health	Poor cognitive health = 1 Good cognitive health = 2	
Spiritual health	Poor spiritual health = 1 Good spiritual health = 2	
Overall health	Poor overall health = 1 Good overall health = 2	



PRODUCTION & ENGINEERING SUPPLIERS

ADVANTECH US, INC.
AMERICAN STANDARD CIRCUITS
ARC-TECHNICS
BUTLER TECHNOLOGIES (includes the 524K listed above)
CHENSTER
COLCRAFT
CUSTOM MACHINING & TOOL (EXPORT TERMINATED)
DELL MARKETING (EXPORT TERMINATED)
DIGI KEY
FOTOFAB
FUKUJI
MET LABORATORIES
PERVASIVE DISPLAYS
PROTO LABS
PROVANTAGE
ROBERTS OXYGEN
S-TEK
SPECIALTY PRINTING
TECHNOLOGY RECOVERY GROUP

0.00	0.00	450.00	270.00	0.00	4,000.00	680.00	630.00
0.00	5,073.20	0.00	0.00	5,442.90	10,514.10	10,514.10	10,514.10
0.00	0.00	8,240.00	0.00	8,240.00	8,240.00	8,240.00	8,240.00
12,022.50	0.00	26,778.40	0.00	0.00	26,778.40	26,778.40	26,778.40
0.00	0.00	14,250.00	0.00	0.00	14,250.00	14,250.00	14,250.00
0.00	35.00	0.00	0.00	0.00	35.00	35.00	35.00
0.00	95.00	0.00	1,515.00	0.00	1,600.00	1,600.00	1,600.00
0.00	0.00	2,113.90	3,948.10	0.00	6,062.04	6,062.04	6,062.04
0.00	1,124.43	872.00	0.00	0.00	1,997.23	1,997.23	1,997.23
0.00	3,291.25	0.00	0.00	3,291.25	3,291.25	3,291.25	3,291.25
0.00	663.60	5,202.40	5,363.00	0.00	16,499.00	16,499.00	16,499.00
0.00	0.00	0.00	2,250.00	0.00	2,250.00	2,250.00	2,250.00
0.00	0.00	0.00	1,170.00	0.00	31,248.00	31,248.00	31,248.00
0.00	0.00	0.00	0.00	0.00	137.00	137.00	137.00
0.00	137.00	0.00	0.00	0.00	4,103.68	4,103.68	4,103.68
0.00	0.00	0.00	4,103.68	0.00	168.02	168.02	168.02
0.00	50.44	58.82	65.70	0.00	3,426.15	3,426.15	3,426.15
0.00	0.00	5,426.15	0.00	0.00	1,457.15	1,457.15	1,457.15
1,467.10	0.00	0.00	0.00	1,467.10	2,103.98	2,103.98	2,103.98
0.00	790.00	0.00	0.00	790.00	0.00	0.00	0.00
65,741.31	112,095.10	14,567.40	97,261.25	313,592.31	723,184.22	571,030.51	571,030.51